

OPEN MEETING AGENDA ITEM



April 12, 2021

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

RE: Docket Number RU-00000A-19-0132

Dear Chairwoman Marquez Peterson and Commissioners,

On behalf of Wildfire: Igniting Community Action to End Poverty in Arizona and the Arizona PIRG Education Fund, we write to provide you with 10 measures related to the Termination of Service rulemaking that we and/or others have frequently raised since the Commission initiated an emergency rulemaking in June 2019, and the most up-to-date information we have acquired through research and discussions. Please note our letter centers on electric utilities; however, our comments also apply to the gas utilities where similar provisions are proposed.

Background

Our organizations have submitted letters to the docket: [June 2019](#) with St. Vincent de Paul and RUCO, [July 2019](#), [September 2019](#), [December 2020](#), and [March 2021](#); engaged and provided testimony in Commission proceedings including a presentation with the Southwest Energy Efficiency Project in the Commission's January 2020 Workshop; and were very involved in the Investigation and Comprehensive Review of the Commission's Disconnection Rules and the Disconnection Policies of Public Service Corporations (Disconnection Policies) including a filing to that docket in [September 2020](#) and [publicly supporting](#) the Commission's vote in December 2020.

Measures Raised in the Termination of Service Rulemaking & Considerations

1. Purpose. The Commission has not publicly stated its primary purpose, which makes it challenging to determine the best path forward. The [Arizona State Constitution](#) provides the [Commission](#) with the authority to set "just and reasonable rates and charges" and "make and enforce reasonable rules, regulations, and orders for the convenience, comfort, and safety, and the preservation of the health, of the employees and patrons of such corporations". While we have heard arguments centered on ratepayers and others centered on public health, we urge the Commission to focus on both in this proceeding.

2. Reducing Deaths. We are confident that the Commission, stakeholders, and ratepayers that have been involved or paying attention to this issue want to prevent deaths due to a utility disconnection. Yet, it is important to keep in mind that no health department in Arizona has provided the Commission with data directly correlating indoor heat deaths and utility disconnections. The submittal in the docket in March 2021 by [David Hondula et al from ASU](#), states, "...the Commission is attempting to create disconnection policy in an information-scarce environment. Critically, **we do not have a comprehensive understanding of the extent to which heat-related illnesses and deaths, as well as other health outcomes, are related to utility disconnections** outside of cases that have received attention in the media..."

Our organizations have attempted to obtain information from AZDHS and other health departments, similar to what the [Maricopa County Dept. of Public Health](#) entered into the docket, to no avail. It is important to point out that page six of **the MCDPH filing notes 51 indoor heat deaths in 2018 (pre-moratorium), 47 indoor heat deaths in 2019 and 46 indoor heat deaths in 2020 (during the moratorium)**. Additionally, on page 13-14 of the filing (during the moratorium in 2020), there was no air conditioning unit present in 18% of the indoor heat related deaths and where an air conditioning unit was present 69% was non-functioning.

3. High Rates. Wildfire and the Arizona PIRG Education Fund agree that rates and charges are too high and the primary driver of an inability to pay, leading to disconnections. The Commission and utilities need to put ratepayers above shareholders. Our organizations urge the Commission to thoroughly scrutinize rate cases and other proceedings in which ratepayers, especially low-income customers, are being asked to increase the amount they pay in rates or charges. Further, we encourage the Commission to look for additional opportunities to help ratepayers save money – such as through increased investment in energy efficiency programs. Although the Commission’s decision in this proceeding may impact rates, we recognize this is not a ratemaking docket.
4. Communication. Without action, even the best communication piece can’t keep the lights on or heat and cool a residence (see number 3). However, **by ensuring ratepayers receive adequate notice prior to disconnection through their preferred method of contact, communication contains information on available financial assistance, and utilities provide the opportunity to set up a reasonable payment arrangement, consumers will have more safeguards to avoid having their electricity shut-off.** As previously mentioned, Wildfire and the Arizona PIRG Education Fund would also like to see increased communication codified in the rules that replicates, as relevant, items included in the [Commission’s December 2020 decision](#) including information about "... Low-Income Home Energy Assistance Program (LIHEAP), bill payment assistance programs, energy efficiency programs, and all other customer-assistance programs... and the Company’s low-income discount program." We also support stronger efforts in the rules to encourage a ratepayer to provide third party designation and awareness of a condition that warrants medically necessary equipment.

Our organizations think it is important to point out that agencies and individuals we have been in contact with in TEP and UNS service territories largely report positive experiences in this area, including with customer service representatives. While APS still needs improvement, they deserve credit for strides made in the last year to work closer with agencies that provide financial assistance, seek and integrate input from consumer advocates and customers, make materials and outreach more ratepayer-friendly, and empower their customer service staff to work directly with an individual based on her or his situation.

5. In-person notification. To the best of our knowledge, in-person notification of termination of service is not a common practice and does not exist in any of the Southwestern states. In Arizona, the provision of in-home visits by social service agencies has declined. The agencies that conduct in-home visits are often focused on services to senior citizens. There may be an agency(s) that would contract with a utility to conduct in-home visits; however, it is important to note that those consulted expressed some concerns including safety, capacity, financial compensation, and/or potential liability. Privacy considerations and having a clear understanding of their specific role in the visits would also need to be addressed.

Our understanding is the effectiveness and efficiency of in-person visits is low compared to phone calls, text messages, and emails, while the financial cost is quite a bit higher. Additionally, many individuals no longer feel comfortable opening their door to someone they do not know. In-person notification could be a useful option, but there is not evidence that suggests strong statewide success.

6. Threshold amount. By increasing the threshold amount prior to disconnection, a ratepayer will have more time to pay off any large debt incurred on their utility bill. Wildfire and the Arizona PIRG Education Fund support increasing the threshold amount for a disconnection to \$300 for electric utilities, consistent with the amount both APS and TEP have voluntarily agreed to over recent months.
7. Payment plans. If a large payment has to be paid off within four months or less, it will be a challenge for a limited-income ratepayer. If a large payment has to be paid off within twelve or more months, it is likely going to put the customer on a perpetual cycle of debt. We support providing consumers with at least six month payment arrangements - with the ability to work with the utility to extend the payment timeframe as needed.
8. Reporting and data analysis. **During the termination of service discussions, it has become all too clear that a lack of reporting has meant a lack of data which has meant a challenge for Commissioners, stakeholders, and ratepayers to fully understand the potential link between indoor heat deaths and disconnections** (see number 2), as well as potential ratepayer impacts. Wildfire and the Arizona PIRG Education Fund were pleased when the [Commission's December 2020 decision](#) required quarterly reporting and for the list of items that were required to be reported. Since communication – both what is communicated and how – is likely to be better integrated

into the rules, it is also important to capture corresponding effectiveness and efficiencies through reporting.

9. National Weather Service heat advisory notification process or comparable but improved NWS method vs. blanket moratorium vs. temperature related moratorium. Considerations we urge you to keep in mind: the Commission has used the NWS longer than any other method, the blanket moratorium has resulted in indoor heat related deaths close to pre-moratorium (see number 2), a temperature moratorium (depending on the temperature number) is likely to result in an even longer moratorium than the blanket moratorium.

The combination of policies supported by Wildfire and the Arizona PIRG Education Fund – NWS, increased threshold amount to \$300, communication and reporting as outlined above - would protect ratepayers and public health, and arguably be the strongest termination of service rule the Commission has ever considered or passed. As previously mentioned, customers will not be disconnected on the days identified by the NWS and will avoid accruing the significant debt that follows as a consequence of the extended moratorium. We also support adding in the rule that no disconnections should occur on weekends or holidays. Community Action Agencies, who are on the frontlines working with limited-income customers across the state, support using this overall approach.

10. Rulemaking Timeline. Decisions by the Commission on various measures, such as those above, will impact the overall rules. Therefore, it is critical that the Commission is clear on each decision and that Staff revise the rules to ensure the components complement one another. Furthermore, we recognize that this docket has been open for a period of time; however, additional data referenced in the [David Hondula et al letter](#) could prove instructive to this proceeding. We also encourage the Commission to be mindful that the rules may be in place for years and to strike a balance between items such as communication and reporting which benefits from consistency and in-person notification of which there is no evidence of strong statewide success.

We appreciate the ongoing opportunity to provide our input on the proposed revised Termination of Service rules. Please let either of us know if you have any further questions.

Sincerely,

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